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C O N F I D E N T I A L SECTION 01 OF 03 LAGOS 000077

SIPDIS
DEPARTMENT FOR AF/FO, AF/W, AF/RSA, AND INR/AA
AMEMBASSY YAOUNDE PASS TO AMEMBASSY MALABO

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TAGS: PGOV PREL KDEM ECON SOCI NI
SUBJECT: ASSISTANT SECRETARY CARSON MEETS WITH LAGOS BUSINESS LEADERS
CLASSIFIED BY: Blair, Donna M., CG, State, Lagos; REASON: 1.4(B), (D)

SUMMARY

11. (C) Assistant Secretary Carson met with Lagos business community leaders on February 7. Per these sources, Governor Fashola of Lagos State is on the verge of being impeached despite bringing new roads, hospitals, and schools to Lagos. The Governor does not pay attention to the patronage networks. Vice President Jonathan is neither a risk taker nor an activist but it is better to have him than no one in the seat of power. Isolate and monitor communities in the Niger Delta to force them to become well run.
END SUMMARY.

12. (C) Assistant Secretary (A/S) Carson met with members of the Lagos Business community at the home of Pat Utomi on February 7. Present at the meeting were the following: Former Presidential candidate and Dean of Lagos Business School (LBS) Pat Utomi; LBS economics professor Dr. Doyin Salami; Financial Derivatives CEO Bismarck Rewane, Former Chairman of the Nigerian Economic Summit Group Mohammed Hayat-Deen; Special Assistant to the Assistant Secretary; Lagos Economic Officer; and, Consul General Blair.

FASHOLA - MAN OF THE FUTURE OR MIRAGE?

13. (C) Assistant Secretary Carson began the conversation by mentioning that he had just met with Lagos State Governor Fashola the night before and that the Governor had a growing reputation in Washington as a leader of vision, integrity, and was hardworking and honest. Fashola is seen as trying to make a difference. Is this the true future leader of Lagos, a man with staying power, or just a mirage, the A/S queried? Fashola deserves a lot of credit but it must be kept in perspective, according to Utomi. Most of the plans that have been put forth by Fashola originated with his predecessor Governor Tinubu. Fashola merely carried on what had already been started.

¶4. (C) When Fashola was put into power by Tinubu not all agreed that Fashola was the best choice. He seemed to lack charisma but in the end he was smarter than everyone else, per Utomi. Fashola stayed faithful to Tinubu's development plan once in power. Fashola is not considered a politician, per Salami. Government patronage is part of the game in Nigeria. Fashola awards most projects to private parties because they are competent. Can Fashola stay faithful without the patronage of Tinubu, the A/S queried?

PLAYING THE POLITICAL GAME IN LAGOS

¶5. (C) Fashola cannot survive and should not contest in the next election, according to Doyin Salami. Tinubu is working behind the scenes to devise a method to impeach Fashola. Impeaching is the easiest way to force out Fashola because it makes him politically irrelevant. If Fashola is pushed out he could come back at a later date. If Fashola is impeached or pushed aside that will bring an end to good governance and forward progress in Lagos, the A/S commented. Fashola has been committed to increasing the infrastructure of Lagos by building water and sewage systems, roads and other large projects that take a long time to complete A/S Carson observed. The light rail and road project from Badagry to Lagos will take another two to four years to complete, if Fashola

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is forced out will his successor complete it, the A/S asked? The project will be finished as long as the PDP does not take power in Lagos, stated Utomi.

¶6. (C) Fashola's Action Congress party is looking to the 2015 national elections. They need to raise money but the political machine is not in place with Fashola, stated Rewane. The only leverage they have is if they act now and put in place a candidate more to their liking. If Fashola walks away from the Governor's office without being impeached he will become a "kingmaker" claimed Rewane. Becoming a kingmaker is not possible once impeached. Fashola should finish his term and "play the game, declared Salami. If Fashola can get the support of the Federal Government he will be able to complete his term without a "monkey on his back" and his personal reputation intact, continued Salami. Tinubu will most likely name the Speaker of the Lagos State House of Assembly Adeyemi Ikuforiji as Fashola's replacement. By early March, we will know how this game has played itself out.

IT IS BETTER TO HAVE A PERSON THAN HAVE A GOAT

¶7. (C) "It is better to have a person than have a goat. At least you can talk to the person," suggested Hayatu-deen. It is better to have someone in the seat of power that you can say yes or no to. When no one is in power, there is a void. Having Jonathan in power is a big difference from having no one according to Hayatu-deen. Vice President Goodluck Jonathan is not seen as a risk taker, per Salami. He will not be an activist, stated Haytu-deen. He will keep the system from crashing, added Rewane. The 2011 elections will be just as bad as 2007, stated Salami. VP Jonathan must rise to the occasion and cannot resign or quit, Utomi added.

¶8. (C) There is no reason why Nigeria cannot feed itself; much less the entire West African region stated the A/S. An official Nigerian delegation has travelled to Malaysia to research palm oil. It was not clear why a country that has produced palm oil for so long would undertake such an endeavor. The average Nigerian

consumes 2.2 liters of milk per year, Rewane added. The average Saudi consumes 50 liters per year. A dairy cow costs 500,000 naira (USD 3,300) and produces 20 liters of milk a day. The political class is not focused on economic growth, concluded Rewane. Has Nigeria lost its way, Hayatu-deen wondered? It is a question of violence, responded Utomi. "If I were to blow up the Falomo bridge (NOTE: a main artery in Lagos END NOTE.) nothing would happen," suggested Rewane.

NIGER DELTA CYCLE

¶9. (C) How is the cycle of the Niger Delta broken, queried the A/S? Ring fence areas, was Rewane's response. Supervise elections; the elections are only as good as the people running them. The Niger Delta used to have proper elections a long time ago, it is possible to have that again. The recent elections in Anambra were considered a success because they were done in isolation.

COMMENT

¶10. (C) Governor Fashola is highly respected and loved by the people of Lagos for fixing roads, building hospitals and schools

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and paying attention to an infrastructure system that has been ignored for much too long. Fashola's latest rail and road project to the Nigeria-Benin border has perhaps taken him a step too far. He does not play by the longstanding "rules," Nigerian style, and the patronage network does not like that. Hearing the group talk about the political machinations going on around Fashola was like seeing the underbelly of the Nigerian political world exposed. This is the festering problem that is so inherent in Nigeria and the very source of most of the problems. Where one was hopeful for Lagos, and Nigeria, this hope suffered a setback after this meeting. END COMMENT.

¶11. (U) A/S Carson did not have an opportunity to clear this cable before departing post.

BLAIR